

# Size Distribution of Personal Income, 1956-59

**REFLECTING** the cyclical upswing in economic activity, the flow of personal income to families and unattached individuals reached a record total of \$362 billion in 1959. This was \$20 billion, or 6 percent, more than in 1958 and 8½ percent above 1957.

When distributed among the Nation's 56 million families and unattached individuals, personal income averaged \$6,520 in 1959. Income per family was about \$250 higher than the year before and \$300 above the average for 1957.

When allowance is made for increases in consumer prices, the 1958-59 advance in average real income per family and individual is found to have been 3 percent. Over the 4-year period since 1955, the increase has averaged 1½ percent per year.

The distribution of personal income in 1959 among the Nation's 45 million families (units of two or more related persons living together) and 11 million unattached individuals (persons not living with relatives) is shown in the accompanying chart. The bars at the left of the chart show the percentage of families and individuals in each personal income range, and those at the right the percentage share of total income received by each group. In interpreting the chart it should be noted that the figures are preliminary, although they are believed to reflect the actual situation quite closely. Comprehensive data from tax returns are not yet available for 1958 or 1959 and the estimates of income distribution for those 2 years have been extended from 1957 tax-return-based figures by sample survey data on family incomes. All of the figures

This article brings up-to-date the estimates of the distribution of families and family income presented in the April 1959 issue of the *SURVEY OF CURRENT BUSINESS*. Included in the present article are revised family income distributions for 1956 and 1957, and preliminary estimates for 1958 and 1959. For a detailed discussion of sources and methods, the reader is referred to the Technical Note in the April 1958 issue of the *SURVEY* and to the supplement to the *SURVEY* in which the income size distributions were initiated, entitled "Income Distribution in the United States, by Size, 1944-50" (U.S. Government Printing Office, Washington 25, D.C., 1953, price 65 cents). A discussion of postwar and prewar changes in income distribution is included in the report of the Office of Business Economics on *U.S. Income and Output* (U.S. Government Printing Office, Washington 25, D.C., 1958, price \$1.50).

presented here have been adjusted to agree statistically with the family income totals included in the personal income series.

## Family average income exceeds \$6,500

The largest concentration of families and unattached individuals in 1959 was in the income range between \$4,000 and \$6,000, in which were located 24 percent of the total number of consumer units. This bracket contained both the modal and median family incomes. The mode, estimated at about \$4,600 in 1959, represented the most frequent or usual family income; the median, at approximately \$5,300, was the average that divided the distribution into two parts of equal number—half the families and individuals had incomes below the median and half had incomes above it.

Another two-fifths of consumers were in the two income ranges adjoining the \$4,000 to \$6,000 bracket in the chart. Twenty-one percent had personal income between \$2,000 and \$4,000, and 18 percent received between \$6,000 and \$8,000. The latter range included the average (mean) income of \$6,520, obtained by dividing total income by the total number of families

and unattached individuals.

The per-family average, it may be noted, is considerably higher than the earnings average on a per-employee basis. In 1959, for example, the mean income of \$6,520 per family and unattached individual exceeded the average annual earnings per employee by almost \$2,000 (table 1). Part of the difference is explained by the fact that many families have more than one person working, and part by the inclusion in

family income of dividends, interest, earnings from self employment, and other types of personal income, in addition to the wages and salaries covered in the employee average.

In the range above the average income bracket, 10 percent of consumers received between \$8,000 and \$10,000, and 14 percent had more than \$10,000. At the lower end of the scale less than 14 percent received incomes under \$2,000, many of which were single consumers or farm families.

The distribution of income was pitched higher on the income scale than the distribution of families. As the chart indicates, about one-half of total family personal income accrued to the three-fourths of families and individuals with incomes below \$8,000. The other one-half was distributed among the upper income groups, with the top income ranges accounting, of course, for a much larger proportion of total income than of the total number of families and single consumers.

During 1959 there was a general shift of families and individuals up the income scale, continuing the trend that has prevailed during the postwar period. Interrupted only in the recession years of 1949, 1954, and 1958, the number of

families with incomes above \$4,000 increased in most years by about 1½ to 2½ million. In 1959, 37 million consumer units had personal incomes over \$4,000 as compared with 17 million in 1947 (table 2).

The upward shift of families and individuals into income brackets above \$4,000 appears also, though substantially dampened, in the income size distribution figures after they have been corrected for the rise in consumer prices. This correction has been made, in approximate fashion, in table 3, where the implicit price deflator for personal consumption expenditures (1959=100) has been applied uniformly to all income brackets.

Annual increases in the number of consumer units in upper income brackets, which had been arrested in 1958, appeared again last year. The number of families with more than \$4,000 of real income in terms of 1959 prices increased by 2 million between 1957 and 1959, and by a total of 12½ million since 1947.

#### Income before and after taxes

Federal individual income tax liabilities of families and single consumers averaged \$640 in 1959. This was moderately up from 1957 and 1958 reflecting the shift of families into higher tax-rate brackets that has accompanied the advance in incomes. The tax liability figures exclude capital gains taxes because the gains themselves are not counted in measuring family income. State and local income taxes, which are also excluded, added only about \$35 to the average family Federal tax bill last year.

After-tax average family incomes in 1929, 1947, and 1959 are compared in the second chart, which also shows before-tax incomes per family in the same 3 years. All of the income figures in the chart are expressed in terms of 1959 dollars, in order to eliminate the effect of price increases.

During the postwar period shown in the chart, average real family income advanced by almost one-fourth. On a before-tax income basis the family average (in terms of 1959 dollars) rose from \$5,300 in 1947 to the \$6,500 already noted for last year. The overall rate of increase in the 12 year period

Table 1.—Average Family Personal Income Before and After Federal Individual Income Tax Liability and Average Annual Earnings Per Full-Time Employee

	Number of families and unattached individuals (millions)	Average (mean) personal income per family and unattached individual				Average (mean) annual earnings per full-time employee (in current dollars)
		Before tax		After tax		
		In current dollars	In 1959 dollars <sup>1</sup>	In current dollars	In 1959 dollars <sup>1</sup>	
1929	38.1	\$2,340	\$4,100	\$2,320	\$4,070	\$1,905
1947	44.7	4,130	4,280	3,726	4,778	2,588
1948	46.3	4,350	4,280	4,010	4,858	2,795
1949	47.8	4,170	4,080	3,860	4,710	2,851
1950	48.0	4,440	5,340	4,070	4,890	3,008
1951	49.5	4,800	5,550	4,420	4,980	3,231
1952	50.2	5,130	5,660	4,570	5,040	3,414
1953	50.5	5,200	5,900	4,810	5,200	3,607
1954	51.2	5,260	6,000	4,860	5,240	3,670
1955	52.2	5,650	6,080	5,080	5,490	3,847
1956	52.8	6,010	6,370	5,400	5,780	4,038
1957	53.5	6,220	6,410	5,680	5,760	4,205
1958	54.8	6,280	6,330	5,650	5,710	4,344
1959	55.6	6,520	6,520	5,880	5,690	4,515

1. The price indexes used as deflators are those employed in deflating the personal consumption expenditure series in the national income accounts.

Source: U.S. Department of Commerce, Office of Business Economics.

was about the same on an after-income-tax basis, because reductions in Federal income tax rates were offset by the upward shift of families into higher tax brackets.

Before-tax income per family has grown at an annual rate that averaged 1½ percent over the past 30 years. Coupled with a similar rate of growth in the number of families and single consumers, this meant that the rate of advance in the total flow of real (before-tax) family income has averaged 3 percent per year since 1929.

Reflecting the upswing in income tax liabilities introduced during World War II and the high level of taxes maintained in the postwar years, the 30-year rate of growth has been somewhat smaller in after-tax income. Since 1929, the flow of after-tax purchasing power to families and individuals has advanced at an annual rate that averaged 1½ percent per year per family.

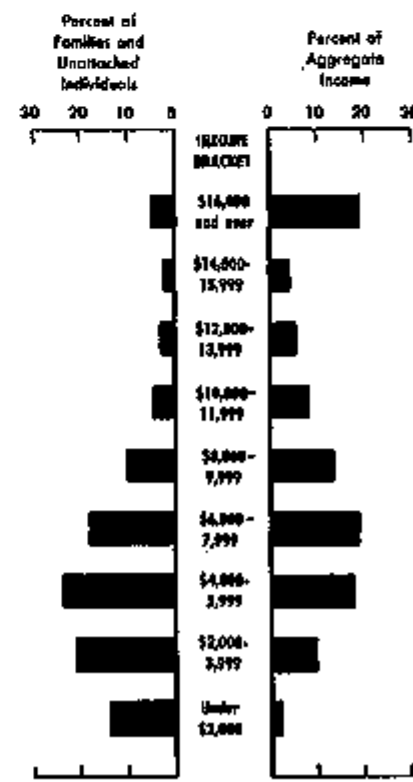
#### Sources of income

To provide information on the structure of family incomes, and of recent changes in that structure, estimates have been developed for selected years of the distribution of each major type of income among broad family income brackets. The distributions, available for nonfarm families only, are shown in table 4 for 1952, 1955, and 1957.

These estimates, which involve breakdowns by both type and size of family

income, are of a more approximate nature than the annual income distributions in which the only variable is income size. The breakdowns were developed by combining information from tax returns with data from sample

Family Personal Income in 1959  
Distribution by income bracket

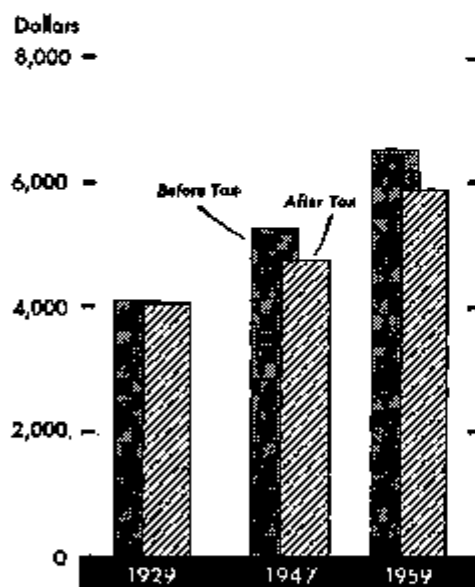


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surveys and other sources, and integrating the results with totals for each of the various types of income which had been derived independently in constructing the personal income series. For certain types of income, particularly transfer payments, interest, and various items of nonmoney income, the available information on the distribution by family income brackets is incomplete.

Despite their limitations, the source-patterns of income are believed to provide a reliable approximation of variations in income structure among families in different broad income brackets, and of major changes in that structure in recent years. The accompanying chart summarizes these patterns in

### Average Family Personal Income\* In constant (1959) dollars



\* Includes unattached individuals

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terms of three broad personal income brackets—under \$4,000, \$4,000 to \$10,000, and \$10,000 and over.

The 3 years were basically similar in certain respects but differed in others. A broad similarity existed in that wages and salaries comprised about four-fifths of total income for nonfarm families in the middle income range between \$4,000 and \$10,000 in all 3 years. Both below and above that range payrolls represented smaller proportions of the income total. Transfer payments were an important second source of

Table 2.—Distribution of Consumer Units and Their Income by Family Income Level, 1947 and 1956-59

Family personal income (before income taxes)	Number of families and unattached individuals (millions)						Aggregate family personal income (billions of dollars)					
	1947	1956	1958	1957	1958	1959	1947	1956	1958	1957	1958	1959
Under \$2,000	15.1	9.2	7.7	7.7	7.8	7.3	13.3	8.9	3.7	8.0	8.7	8.4
\$2,000-\$4,000	17.1	13.9	12.2	11.8	12.0	11.0	51.5	40.7	27.4	36.3	38.6	35.2
\$4,000-\$6,000	9.2	13.6	13.0	13.0	13.2	13.1	44.8	67.7	67.6	64.6	65.5	65.3
\$6,000-\$7,000	3.9	3.5	3.3	3.3	3.5	3.9	26.8	58.2	61.0	64.4	66.0	68.9
\$8,000-\$9,000	1.6	3.7	4.5	4.8	5.1	5.8	12.3	32.5	39.7	44.6	45.2	49.6
\$10,000-\$14,000	1.2	3.1	3.8	4.3	4.4	5.0	14.3	30.9	43.8	51.6	53.5	60.3
\$15,000 and over	.8	1.9	2.3	2.6	3.0	2.0	23.1	48.9	67.6	66.3	68.6	70.8
Total	44.7	53.3	53.8	53.4	54.4	55.6	284.6	294.2	317.4	323.9	343.1	343.4
Percent distribution												
Under \$2,000	25	16	15	14	14	14	7	3	3	3	3	2
\$2,000-\$4,000	38	25	22	22	22	21	25	14	12	11	11	10
\$4,000-\$6,000	20	26	25	24	24	23	24	23	21	20	19	18
\$6,000-\$7,000	8	16	17	18	18	18	14	20	19	19	19	19
\$8,000-\$9,000	3	7	8	9	9	10	7	11	13	13	13	14
\$10,000-\$14,000	3	6	7	8	8	9	8	12	14	15	16	16
\$15,000 and over	2	4	4	5	5	5	12	17	19	19	20	21
Total	100	100	100	100	100	100	100	100	100	100	100	100

Source: U.S. Department of Commerce, Office of Business Economics.

income in the range below \$4,000, although property and business incomes also accounted for far from negligible proportions. Above \$10,000, income from property and business (including professional income) represented a highly significant portion of total income; dividends, in particular, rose in relative importance from a few percentage points in the brackets below \$10,000 to one-tenth of total income.

As table 4 indicates, the category of interest and rental income resembled wages and salaries in that it showed relatively less variation among income brackets as a source of family income than did business income, dividends, and transfers.

The major change that took place between 1952 and 1957 was the growth in the importance of transfer payments, particularly old-age and survivors insurance benefits, in the income range under \$4,000. Transfer payments accounted for only one-eighth of total family income in this range in 1952 and

for one-fourth in 1957. This rise was offset by a decline in the relative importance of the wage and salary component.

A large part of this growth was explained by the changes that occurred in the nonfarm families with incomes less than \$4,000. Families in the upper part of this range, who characteristically receive a smaller proportion of their total income in the form of transfer payments than the group as a whole, shifted into higher income brackets, as the number of nonfarm families in this group decreased from 11½ million in 1952 to 8½ million in 1957. Older aged families who are typically recipients of transfer payments formed a larger proportion of the group than in 1952.

The broadened coverage of the social security programs, the rise in benefit rates, and the increased numbers of older aged persons, resulted in a tripling of total old-age and disability insurance payments under the Social Security Act over the 5-year period, and also con-

Table 3.—Distribution of Consumer Units by Real Income Level, 1947 and 1956-59

Family personal income (in 1959 dollars) (before income taxes)	Number of families and unattached individuals (millions)					Percent distribution				
	1947	1956	1957	1958	1959	1947	1956	1957	1958	1959
Under \$2,000	7.0	7.2	7.4	7.7	7.5	17	14	14	14	14
\$2,000-\$3,999	18.1	14.1	13.4	13.8	13.0	40	26	25	25	23
\$4,000-\$5,999	11.0	13.5	13.8	13.1	13.1	25	25	24	24	23
\$6,000-\$7,999	5.9	6.3	6.0	6.0	6.0	13	18	18	18	18
\$8,000-\$9,999	2.8	5.0	5.2	5.2	5.5	6	9	16	9	10
\$10,000-\$14,999	2.3	4.4	4.6	4.8	5.0	5	8	8	8	9
\$15,000 and over	1.4	2.6	2.0	2.6	2.9	3	8	5	5	4
Total	44.7	53.8	53.0	54.0	55.6	100	100	100	100	100

Source: U.S. Department of Commerce, Office of Business Economics.

tributed to the observed shift in family income composition.

In the family income range above \$10,000, the outstanding shift in income structure was the growth in relative importance of wages and salaries, accounting for about one-half of the total income in the range in 1952 and over six-tenths in 1957. The shift stemmed in part from the movement of families up the income scale that has accompanied the postwar rise in incomes. Families with incomes above \$10,000 comprised one-sixth of all nonfarm families in 1957, as compared with less than one-tenth in 1952. Part of the shift, however, represented an increase in the relative importance of wages and salaries in the income total received by the top tenth of families.

In the broad range between \$4,000 and \$10,000, which accounted for 60 percent of nonfarm families in both 1952 and 1957, there was relatively much less change in family income structure than occurred on the average in the income ranges above and below.

### Technical Note

The family income distributions presented in this article have been developed on the basis of consolidated data from Federal individual income tax returns and information from annual surveys of family incomes conducted by the Census Bureau, Federal Reserve Board, the Survey Research Center of the University of Michigan. The procedures for combining the data from these sources are the same as those described for earlier years in the Technical Note to the article on size distribution of personal income in the April 1958 issue of the Survey.

The family income distributions are tied directly to the national personal income series. However, for years prior to 1955 they have not been adjusted to the revised series presented in the report on *U.S. Income and Output*. The estimates for certain components of personal income have been modified somewhat for 1955 in order to improve comparability between the revised income distributions for 1955 forward and those retained for earlier years. The adjusted size distribution estimates for the period prior to 1955 would not

Table 4.—Relative Importance of Major Types of Income by Income Level, Nonfarm Multiperson Families, 1952, 1955, and 1957

	Percent distribution of nonfarm families	Percent distribution by type of income					
		Nonfarm family personal income	Wages and salaries	Nonfarm business and professional income	Dividends and income from estates and trusts	Interest and rental income	Transfer payments and miscellaneous income
1952							
Under \$4,000.....	32.6	100.0	74.0	2.8	1.6	9.6	12.4
\$4,000-\$9,999.....	33.3	100.0	81.7	8.8	1.0	7.0	4.5
\$10,000-\$19,999.....	24.6	100.0	79.8	8.2	1.8	7.4	3.0
\$20,000 and over.....	8.7	100.0	58.1	22.9	11.7	11.5	.8
Total.....	100.0	100.0	72.4	16.6	4.1	8.7	4.2
1955							
Under \$4,000.....	27.4	100.0	65.0	2.2	2.1	10.1	20.5
\$4,000-\$9,999.....	30.8	100.0	81.1	4.2	1.0	7.7	2.9
\$10,000-\$19,999.....	29.7	100.0	81.6	8.7	1.8	7.2	2.2
\$20,000 and over.....	12.1	100.0	58.5	18.6	9.8	11.3	.8
Total.....	100.0	100.0	72.2	16.3	4.4	9.0	4.0
1957							
Under \$4,000.....	22.4	100.0	52.8	3.0	2.5	11.9	24.4
\$4,000-\$9,999.....	27.3	100.0	78.2	7.1	2.0	8.4	4.2
\$10,000-\$19,999.....	32.0	100.0	80.9	8.6	1.1	7.4	4.0
\$20,000 and over.....	18.4	100.0	52.7	16.8	3.1	10.8	1.9
Total.....	100.0	100.0	71.7	10.3	3.8	8.2	5.8

Sources: U.S. Department of Commerce, Office of Business Economics.

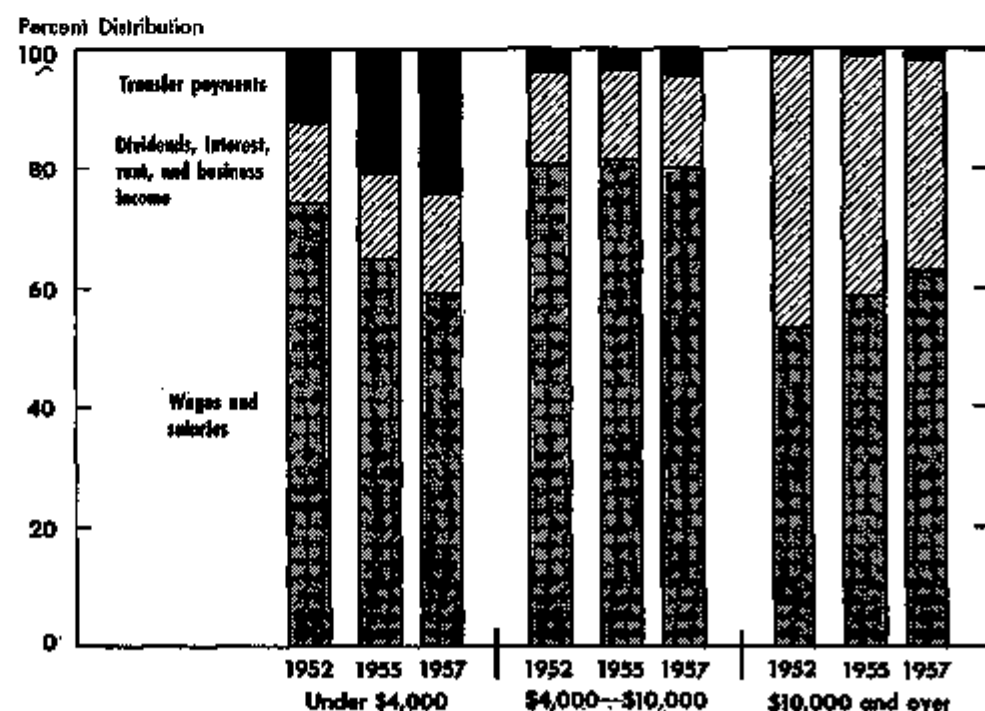
be affected to any substantial extent by the recent revisions of personal income, except in the case of farm operator families. For a discussion of the extent of revision for that group, see page 19 of the April 1958 issue of the Survey.

### Definition of terms

The definitions of families and unattached individuals in the income distribution tables conform with those used by the Census Bureau. Families are units of two or more persons related by blood, marriage, or adoption and

## Composition of Family Personal Income\*

### In three income brackets



\* Nonfarm families only

U. S. Department of Commerce, Office of Business Economics

NOTE.—The following tables revise and carry forward the series presented in tables 5-12 of earlier articles on income distribution. For data for years prior to 1955, see April 1958 issue of the Survey.

Table 5.—Distribution of Consumer Units and Their Family Personal Income by Family Personal Income Level, Selected Years, 1944-58

Family personal income (before income taxes)	Number of families and unattached individuals (thousands)										Aggregate family personal income (millions of dollars)											
	1944	1946	1947	1950	1952	1953	1954	1955	1956	1957	1958	1944	1946	1947	1950	1952	1953	1954	1955	1956	1957	1958
Under \$1,000	4,362	3,820	3,749	3,861	3,282	2,960	3,071	3,241	7,719	7,094	7,780	3,260	2,917	1,973	1,943	1,688	1,548	1,571	1,420	3,688	3,472	3,733
\$1,000-\$1,999	8,109	7,006	7,379	7,404	5,837	5,554	6,869	6,241	17,719	16,094	17,780	12,339	11,576	11,331	11,333	8,437	8,438	8,438	8,438	13,555	13,586	13,586
\$2,000-\$2,999	8,752	8,780	8,486	8,691	6,541	6,264	6,509	6,017	16,997	15,365	16,997	20,938	20,007	21,174	20,372	16,411	16,998	16,343	14,371	13,655	13,586	13,586
\$3,000-\$3,999	7,722	8,680	8,038	8,586	7,636	7,881	7,291	7,339	16,790	15,403	16,790	26,990	26,000	26,046	26,083	25,792	24,817	25,815	23,979	22,775	22,775	22,775
\$4,000-\$4,999	4,538	6,364	5,722	7,064	7,631	7,117	7,118	7,328	7,401	6,844	6,881	20,261	23,950	25,583	21,433	24,305	23,067	22,465	23,021	23,221	20,799	20,933
\$5,000-\$5,999	2,515	3,065	3,474	4,694	6,072	6,182	6,032	6,321	6,192	6,262	6,262	13,739	16,726	18,487	25,003	33,200	33,702	33,633	34,648	34,208	33,941	34,647
\$6,000-\$6,999	2,269	2,547	3,151	2,636	5,301	6,378	6,384	6,925	7,203	7,529	7,628	14,943	18,833	20,812	25,578	38,759	42,611	41,947	48,311	48,195	60,280	61,415
\$7,500-\$9,999	1,385	1,761	2,170	2,768	4,131	4,748	4,784	6,203	6,115	6,772	6,978	11,802	14,906	13,454	23,364	34,600	40,707	40,338	44,498	52,984	68,100	68,744
\$10,000-\$14,999	707	1,070	1,199	1,530	2,041	2,635	2,601	3,008	3,764	4,289	4,446	4,215	12,784	14,306	16,510	18,510	24,213	31,661	31,856	35,919	43,089	54,629
\$15,000-\$19,999	246	332	386	414	608	734	745	888	1,112	1,282	1,468	4,215	6,062	6,566	7,083	10,214	12,487	12,749	15,120	19,831	21,964	21,964
\$20,000-\$24,999	108	143	167	210	340	308	318	378	492	489	548	2,306	3,184	3,790	4,320	6,968	6,621	6,931	8,383	9,811	10,872	10,872
\$25,000-\$49,999	140	181	208	294	384	383	367	452	612	587	657	4,661	6,308	6,676	9,748	12,638	12,793	13,294	16,140	17,243	18,782	18,782
\$50,000 and over	40	64	86	84	190	94	166	115	134	147	157	3,607	4,837	4,802	7,600	8,076	8,008	9,276	11,243	11,540	12,672	12,672
Total	40,880	43,339	44,744	46,694	50,218	50,530	51,169	53,274	52,559	53,650	54,428	147,721	170,704	184,896	217,263	257,162	272,184	273,346	294,239	317,448	333,388	342,947
Percent distribution																						
Under \$1,000	10.7	8.8	8.4	7.0	6.5	5.9	6.0	15.8	14.9	14.3	14.3	1.4	1.2	1.1	0.9	0.7	0.6	0.6	3.2	2.7	2.6	2.6
\$1,000-\$1,999	19.8	17.0	16.5	15.3	11.9	11.0	11.5	11.9	14.9	14.3	14.3	8.4	6.8	6.1	5.2	3.3	3.1	3.1	8.8	4.8	4.0	4.0
\$2,000-\$2,999	21.4	20.3	19.9	18.9	12.0	12.0	12.7	11.3	10.1	10.0	10.0	14.0	13.9	11.5	9.8	6.4	6.0	6.0	6.1	4.8	4.0	4.0
\$3,000-\$3,999	18.9	19.8	18.3	17.9	15.2	14.0	14.3	14.1	12.9	12.1	12.0	18.2	17.5	16.3	13.6	10.4	9.1	9.4	8.5	7.5	6.5	6.7
\$4,000-\$4,999	11.1	12.4	12.8	14.4	15.2	14.1	13.8	14.0	14.0	12.8	12.6	13.7	14.0	13.5	14.5	13.3	11.8	11.7	11.2	10.5	9.2	9.0
\$5,000-\$5,999	6.2	7.1	7.9	8.6	12.1	12.2	11.8	12.1	11.5	11.5	11.5	9.3	9.8	10.2	11.6	12.9	12.4	12.1	11.8	10.9	10.2	10.1
\$6,000-\$6,999	5.5	5.9	7.0	7.0	11.0	12.0	12.3	13.3	12.6	14.0	14.1	10.1	9.9	11.2	11.2	15.1	15.6	15.3	15.8	15.2	16.1	15.0
\$7,500-\$9,999	3.4	4.0	4.8	5.6	8.2	9.4	9.2	10.9	11.0	12.0	12.7	8.0	8.7	10.0	10.8	13.5	14.0	14.7	15.1	16.5	17.4	17.5
\$10,000-\$14,999	1.7	2.6	2.7	3.1	4.1	5.2	5.3	5.9	7.2	8.0	8.1	5.7	7.5	7.7	8.4	9.4	11.6	11.0	12.6	14.4	15.4	15.6
\$15,000-\$19,999	.9	.8	.8	.6	1.3	1.4	1.5	1.7	2.1	2.4	2.4	2.9	3.3	3.5	3.3	4.0	4.0	4.0	4.8	5.1	5.0	5.0
\$20,000-\$24,999	.3	.3	.4	.4	.0	.0	.0	.7	.8	.9	.9	1.6	1.9	2.0	2.2	2.7	2.5	2.5	2.6	2.0	2.3	2.3
\$25,000-\$49,999	.3	.4	.0	.0	.8	.8	.9	.9	1.0	1.0	1.0	3.1	2.7	3.7	4.5	4.0	4.7	4.3	5.1	5.4	5.0	5.0
\$50,000 and over	.1	.1	.1	.3	.2	.2	.2	.2	.3	.3	.3	2.4	2.8	2.7	3.5	3.4	3.2	3.4	3.7	3.7	3.8	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.

Table 6.—Distribution of Families and Their Family Personal Income by Family Personal Income Level, 1955-58

Family personal income (before income taxes)	Number of families (thousands)				Aggregate family personal income (millions of dollars)			
	1955	1956	1957	1958	1955	1956	1957	1958
Under \$2,000	3,948	3,004	3,289	3,507	4,880	4,500	4,400	4,378
\$2,000-\$2,999	3,806	3,345	3,289	3,272	9,635	8,440	8,267	8,268
\$3,000-\$3,999	5,802	5,278	4,879	4,817	20,703	18,017	17,174	16,908
\$4,000-\$4,999	6,501	6,529	6,889	5,826	23,609	29,491	24,473	26,206
\$5,000-\$5,999	5,943	5,788	5,653	5,715	32,600	31,745	31,008	31,300
\$6,000-\$6,999	6,791	6,835	7,264	7,833	44,843	48,896	49,183	49,009
\$7,500-\$9,999	5,905	6,044	6,391	6,747	43,292	61,130	48,450	57,938
\$10,000-\$14,999	3,802	3,714	4,186	4,342	30,126	44,720	56,511	52,289
\$15,000-\$19,999	504	1,069	1,240	1,240	14,805	18,098	21,658	21,658
\$20,000-\$24,999	307	421	477	477	8,190	9,908	18,571	18,571
\$25,000-\$49,999	490	495	538	538	14,596	26,054	18,069	18,069
\$50,000 and over	110	128	140	140	9,090	30,264	11,888	11,888
Total	42,870	43,358	43,870	44,128	268,679	280,694	304,135	310,851
Percent distribution								
Under \$2,000	8.3	6.4	6.3	6.1	1.8	1.6	1.4	1.4
\$2,000-\$2,999	8.9	7.7	7.5	7.4	3.6	3.0	2.7	2.6
\$3,000-\$3,999	13.7	12.2	11.2	10.9	7.7	6.4	5.6	5.5
\$4,000-\$4,999	15.4	15.1	15.4	13.2	11.0	10.1	5.7	8.5
\$5,000-\$5,999	13.9	13.4	13.0	13.0	12.1	11.8	10.2	10.1
\$6,000-\$6,999	15.7	16.0	16.5	16.0	16.7	16.0	16.8	16.8
\$7,500-\$9,999	11.9	13.7	15.1	15.8	19.1	17.5	18.8	18.6
\$10,000-\$14,999	7.0	8.6	9.6	9.8	13.4	16.4	18.6	16.8
\$15,000-\$19,999	2.0	2.5	2.9	2.8	5.6	6.4	7.1	7.0
\$20,000-\$24,999	.9	1.0	1.1	1.1	3.0	3.2	3.0	3.0
\$25,000-\$49,999	1.0	1.1	1.2	1.2	5.4	8.7	6.0	6.0
\$50,000 and over	.3	.3	.3	.3	3.4	8.8	3.9	3.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.

Table 7.—Distribution of Unattached Individuals and Their Family Personal Income by Family Personal Income Level, 1955-58

Family personal income (before income taxes)	Number of unattached individuals (thousands)				Aggregate family personal income (millions of dollars)			
	1955	1956	1957	1958	1955	1956	1957	1958
Under \$2,000	4,293	4,040	4,075	4,319	4,436	4,188	4,213	4,361
\$2,000-\$3,999	2,109	2,062	2,100	2,184	5,235	5,100	5,240	5,445
\$4,000-\$5,999	1,477	1,517	1,614	1,716	5,113	5,283	5,601	5,943
\$6,000-\$9,999	797	808	975	1,065	3,413	3,830	4,326	4,683
\$10,000-\$14,999	378	453	539	589	3,948	2,463	2,953	3,195
\$15,000-\$19,999	221	208	231	255	1,468	1,772	1,724	2,347
\$20,000-\$24,999	135	161	192	212	1,170	1,348	1,690	1,807
\$25,000-\$29,999	65	81	94	104	770	948	1,112	1,224
\$30,000-\$34,999	19	22	25	25	388	480	480	2,200
\$35,000-\$39,999	11	11	15	15	242	242	260	
\$40,000-\$44,999	15	17	20	20	545	661	692	
\$45,000 and over	6	6	7	7	523	585	685	
Total	9,594	9,508	9,999	10,509	25,399	28,782	29,261	31,516
Percent distribution								
Under \$2,000	45.2	42.6	40.8	40.2	17.4	16.7	14.4	14.0
\$2,000-\$3,999	22.2	21.6	21.1	20.8	20.7	19.1	17.9	17.5
\$4,000-\$5,999	15.5	16.0	16.2	16.3	20.2	19.7	19.2	19.0
\$6,000-\$9,999	8.1	9.1	9.8	10.0	13.4	14.3	14.8	15.0
\$10,000-\$14,999	4.0	4.8	5.4	5.6	8.1	9.2	10.0	10.2
\$15,000-\$19,999	2.3	2.8	3.2	2.4	5.8	6.0	7.3	7.5
\$20,000-\$24,999	1.4	1.7	1.9	2.0	4.6	4.8	6.0	6.8
\$25,000-\$29,999	.7	.8	.9	1.0	3.1	3.0	3.8	3.9
\$30,000-\$34,999	.3	.2	.3	.3	1.8	1.4	1.5	
\$35,000-\$39,999	.1	.1	.1	.1	1.0	.9	.9	
\$40,000-\$44,999	.2	.2	.2	.2	2.2	2.2	2.8	
\$45,000 and over	.1	.1	.1	.1	2.1	2.2	2.8	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.

Table 8.—Distribution of Farm Operator and Nonfarm Families and Their Family Personal Income by Family Personal Income Level, 1955-58<sup>1</sup>

Family personal income (before income taxes)	Farm operator families				Nonfarm families			
	Number of families (thousands)		Aggregate family personal income (millions of dollars)		Number of families (thousands)		Aggregate family personal income (millions of dollars)	
	1955	1956	1957	1958	1955	1956	1957	1958
Under \$2,000	1,800	1,803	1,427	1,177	1,900	1,867	1,792	1,819
\$2,000-\$3,999	872	894	911	824	2,100	2,339	2,295	2,357
\$4,000-\$5,999	772	784	730	682	3,680	3,032	2,625	2,413
\$6,000-\$9,999	616	580	529	550	3,447	2,402	2,306	2,458
\$10,000-\$14,999	263	387	389	412	2,903	2,110	2,126	2,259
\$15,000-\$19,999	339	444	383	418	2,222	2,222	2,354	2,797
\$20,000-\$24,999	240	240	230	280	2,080	2,130	2,159	2,814
\$25,000-\$29,999	143	158	194	212	1,830	1,890	1,967	2,431
\$30,000-\$34,999	42	44	49	59	721	751	759	829
\$35,000-\$39,999	18	19	19	124	268	410	427	349
\$40,000-\$44,999	31	31	22	124	694	720	716	814
\$45,000 and over	4	5	5	5	371	387	403	406
Total	5,987	6,040	5,854	5,749	19,927	19,962	19,365	20,000
Average (mean) family personal income					\$4,015	\$4,111	\$4,683	
Percent distribution								
Under \$2,000	31.9	30.3	24.4	20.6	10.0	9.3	9.0	9.1
\$2,000-\$3,999	14.1	14.8	15.6	14.3	10.6	11.7	11.8	11.8
\$4,000-\$5,999	12.7	12.3	12.5	12.0	18.0	15.1	14.3	12.0
\$6,000-\$9,999	10.3	9.6	8.9	9.7	17.0	12.0	12.3	12.3
\$10,000-\$14,999	4.3	6.4	6.6	7.2	14.1	10.6	10.7	11.3
\$15,000-\$19,999	5.5	7.4	6.6	7.3	11.2	11.8	12.3	13.9
\$20,000-\$24,999	4.0	4.0	3.9	4.9	10.3	10.7	10.9	14.2
\$25,000-\$29,999	2.3	2.6	3.3	3.7	9.1	9.6	10.2	12.0
\$30,000-\$34,999	.7	.7	.8	1.0	3.6	3.8	3.9	4.1
\$35,000-\$39,999	.4	.4	.4	2.6	2.0	2.1	2.1	4.1
\$40,000-\$44,999	.5	.5	.4	2.1	1.9	1.9	2.0	4.1
\$45,000 and over	.1	.1	.1	.1	1.9	1.9	2.0	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. For data prior to 1953, see discussion on page 19 of April 1950 issue of Survey of Current Business.

Source: U.S. Department of Commerce, Office of Business Economics.

residing together; unattached individuals are persons other than institutional inmates who are not living with any relatives.

The term consumer unit refers to the combined group of families and unattached individuals. The total number of families and unattached individuals is estimated as of the end of the calendar year to which the income data pertain; and is derived by interpolating between Census Bureau figures for the preceding and following March or April.<sup>1</sup>

Farm operator families cover all families operating farms as defined in the Census of Agriculture; their number is estimated annually by the Agriculture Marketing Service.<sup>2</sup> The broad non-farm family group is defined to include all multiperson units other than farm operator families.

Family personal income represents the current income received by families and unattached individuals from all sources, including wage and salary receipts (net of social insurance contributions), other labor income, proprietors' and rental income, dividends, personal interest income, and transfer payments. In addition to monetary income flows, family personal income includes certain nonmoney items such as wages in kind, the value of food and fuel produced and consumed on farms, the net imputed rental value of owner-occupied homes, and imputed interest.

Total family personal income is a somewhat smaller amount in each year than the personal income aggregate from which it is derived, because it excludes the income received by institutional residents (including military personnel not living with their families), or retained by nonprofit institutions, private trust, pension, and welfare funds.

Average family personal income refers to the annual amount from all income sources received by the family unit as a whole; it is, of course, a larger figure

1. See, for example, "Households and Families, By Type: 1930 to 1950", Census Bureau, Series P-20, No. 24. The Census Bureau number of "unrelated individuals" was reduced slightly to exclude several minor groups regarded here as residents of institutions.

2. Farm Income Situation, No. 174, July 1950, Agricultural Marketing Service, U.S. Department of Agriculture, p. 41.

than average income data on a per worker or per capita basis.

Aggregate Federal individual income tax liability is defined as the total liability reported on individual income

tax returns, plus an estimate for amounts uncovered by subsequent audit, minus liability of military personnel not living with their families, minus liability on net capital gain.

For a discussion of these definitions the reader is referred to the supplement to the SURVEY OF CURRENT BUSINESS, *Income Distribution in the United States, by Size, 1944-50*.

Table 9.—Number of Consumer Units and Persons, and Aggregate and Average Family Personal Income, 1955-59

Year	Families and unattached individuals						Families						Unattached individuals		
	Number of con- sumer units (mil- lions)	Number of persons		Family personal income			Number of fam- ilies (mil- lions)	Number of persons		Family personal income			Number of un- attached individu- als (mil- lions)	Family personal income	
		Total (mil- lions)	Average number per con- sumer unit	Amount (billions of dol- lars)	Average income			Total (mil- lions)	Average number per family	Amount (billions of dol- lars)	Per family (dollars)	Per capita (dollars)		Amount (billions of dol- lars)	Per capita (dollars)
					Per con- sumer unit (dollars)	Per capita (dollars)									
1955	52.3	163.7	3.12	294.2	5,640	1,808	42.7	163.2	3.59	288.0	\$1,303	1,785	8.6	25.2	2,063
1956	52.8	165.2	3.14	317.4	6,007	1,916	43.4	166.2	3.60	290.7	\$1,706	1,860	8.6	26.2	2,316
1957	53.6	169.0	3.16	333.9	6,233	1,978	43.7	169.0	3.64	304.6	\$1,976	1,916	10.0	29.2	2,930
1958	54.6	172.1	3.16	342.1	6,263	1,968	44.1	161.6	3.66	310.9	2,044	1,924	10.6	31.2	2,978

Sources: U. S. Department of Commerce, Office of Business Economics.

Table 10.—Distribution of Family Personal Income and Federal Individual Income Tax Liability Among Quintiles and Top 5 Percent of Consumer Units, 1955-59<sup>1</sup>

Quintile	Percent distribution of—			Mean amount of—			Tax rate (percent)	Lower income limit of quintile <sup>2</sup>	
	Family personal income	Tax liability	After-tax income	Family personal income (dollars)	Tax liability (dollars)	After-tax income (dollars)		Before-tax basis (dollars)	After-tax basis (dollars)
1955: Lowest	4.8	1.4	5.2	1,355	39	1,316	2.9	—	—
2	11.3	6.0	11.9	3,230	155	3,075	4.8	2,890	2,590
3	16.3	10.9	17.0	4,534	206	4,328	4.6	3,520	3,716
4	23.2	13.6	24.7	6,230	330	5,900	5.3	5,270	4,936
Highest	45.2	62.8	43.2	17,722	1,726	16,000	13.0	7,410	6,700
Total	100.0	100.0	100.0	5,640	650	5,000	8.5	—	—
Top 5 percent	20.8	38.2	18.2	22,863	4,817	18,046	18.0	12,470	11,780
1956: Lowest	4.8	1.5	5.2	1,437	40	1,397	2.8	—	—
2	11.3	6.2	11.9	3,403	133	3,270	3.8	2,840	2,426
3	16.3	11.8	18.8	4,598	232	4,366	5.0	4,170	3,820
4	23.2	16.0	22.0	6,091	371	5,720	6.1	5,660	5,240
Highest	45.2	62.2	43.4	12,681	1,680	11,001	13.5	7,960	7,360
Total	100.0	100.0	100.0	6,007	684	5,323	10.0	—	—
Top 5 percent	20.2	38.5	18.1	24,210	4,823	19,387	19.2	12,860	12,480
1957: Lowest	4.7	1.5	5.0	1,468	48	1,420	3.2	—	—
2	11.1	6.2	11.7	3,485	106	3,379	3.0	2,980	2,460
3	16.3	11.8	18.0	5,077	336	4,741	6.6	4,200	4,020
4	22.4	16.0	22.8	6,967	587	6,380	8.4	5,930	5,400
Highest	45.5	62.0	43.6	14,147	1,965	12,182	13.9	6,900	7,570
Total	100.0	100.0	100.0	6,228	680	5,548	10.1	—	—
Top 5 percent	20.1	38.3	18.1	25,007	4,821	20,186	18.2	14,520	12,990
1958: Lowest	4.7	1.5	5.0	1,469	40	1,429	2.7	—	—
2	11.1	6.2	11.6	3,478	101	3,377	2.9	2,980	2,460
3	16.3	11.8	18.0	5,108	348	4,760	6.8	4,280	4,010
4	22.4	16.0	22.8	7,919	680	7,239	8.6	6,970	6,380
Highest	45.5	62.0	43.7	15,264	1,901	13,363	12.5	8,940	7,430
Total	100.0	100.0	100.0	6,263	613	5,650	9.3	—	—
Top 5 percent	20.2	38.5	18.2	25,270	4,894	20,376	18.6	14,640	13,000

<sup>1</sup> Consumer units are ranked by size of family personal income. In addition to April 1960 issue of *Survey of Current Business*, see table 3 of "Income Distribution in the United States, by Size, 1944-59."

<sup>2</sup> Rounded to nearest \$10.

Sources: U. S. Department of Commerce, Office of Business Economics.



Table 11.—Distribution of Federal Individual Income Tax Liability of Consumer Units, Average Tax, Average Income, and Tax Rate, by Family Personal Income Level, 1955-58

Family personal income (before income taxes)	1955					1956					1957					1958				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)
	Amount (millions of dollars)	Percent distribution	Average (dollars)			Amount (millions of dollars)	Percent distribution	Average (dollars)			Amount (millions of dollars)	Percent distribution	Average (dollars)			Amount (millions of dollars)	Percent distribution	Average (dollars)		
Under \$2,000....	204	0.7	25	1,182	3.2	190	0.6	26	1,120	2.3	195	0.6	30	1,124	2.3	183	0.6	24	1,121	2.1
\$2,000-\$2,999....	681	2.4	115	2,413	4.6	656	2.0	121	2,611	4.8	651	1.9	131	2,539	4.8	642	1.9	118	2,559	4.7
\$3,000-\$3,999....	1,387	4.8	159	3,218	5.4	1,323	4.2	196	3,014	6.5	1,370	3.8	197	3,568	6.8	1,254	3.7	182	3,567	5.5
\$4,000-\$4,999....	2,047	7.1	279	4,406	6.3	2,093	6.0	283	4,403	6.3	1,958	5.6	285	4,508	6.3	1,900	5.7	275	4,495	6.1
\$5,000-\$5,999....	2,685	9.0	409	5,482	7.5	2,572	8.1	412	5,481	7.6	2,589	7.5	410	5,481	7.5	2,490	7.4	345	5,480	7.2
\$6,000-\$7,499....	3,063	10.9	576	6,068	8.4	4,147	12.0	576	6,067	8.4	4,274	12.5	568	6,061	8.5	4,212	12.6	545	6,067	8.2
\$7,500-\$9,999....	4,032	14.1	770	8,441	9.1	4,778	14.3	751	8,588	8.1	5,211	15.4	709	8,577	9.0	5,100	15.4	742	8,585	8.6
\$10,000-\$14,999....	3,737	13.0	1,215	12,051	10.1	4,400	14.4	1,212	12,037	10.1	4,121	15.1	1,194	12,035	9.0	5,113	15.3	1,100	12,037	9.0
\$15,000-\$19,999....	1,944	6.8	2,200	17,129	13.5	2,445	7.2	2,197	17,101	12.8	2,771	8.2	2,192	17,129	12.6					
\$20,000-\$24,999....	1,322	4.6	3,495	25,179	15.8	1,406	4.7	3,494	25,255	14.7	1,670	6.0	3,490	25,351	15.4					
\$25,000-\$49,999....	3,166	11.6	8,997	33,524	26.4	3,587	11.2	7,904	33,607	26.8	3,842	11.4	6,880	33,608	20.3	12,540	37.4	4,884	25,923	18.3
\$50,000 and over.....	3,605	12.6	31,268	66,603	35.3	4,006	12.5	29,771	85,818	34.7	4,268	12.7	29,200	85,712	34.2					
Total.....	33,704	100.0	559	5,548	9.3	31,944	100.0	684	6,007	10.0	33,300	100.0	630	6,223	10.1	33,508	100.0	612	6,263	9.8

Source: U.S. Department of Commerce, Office of Business Economics.

Table 12.—Distribution of Consumer Units and of Family Personal Income After Federal Individual Income Tax Liability, by Level of After-Tax Income, 1955-58

Family personal income after Federal individual income tax liability	1955					1956					1957					1958				
	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution
	Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income	
Under \$2,000....	6,758	10,119	1,155	16.6	8.8	6,212	9,460	1,123	15.5	8.9	6,166	9,399	1,150	16.2	8.1	5,286	9,478	1,148	15.1	8.1
\$2,000-\$2,999....	6,430	16,401	2,519	12.4	5.2	6,934	16,070	2,419	11.3	5.3	6,067	15,903	2,517	11.1	5.0	6,048	15,297	2,518	11.1	4.0
\$3,000-\$3,999....	7,492	28,529	8,508	15.3	10.5	7,491	26,080	2,415	14.4	9.3	7,221	26,341	3,590	13.6	8.4	7,223	25,282	3,511	12.9	8.2
\$4,000-\$4,999....	6,187	35,926	4,423	15.7	18.0	6,182	30,027	4,493	15.4	12.8	7,587	34,010	4,563	14.3	11.6	7,708	34,700	4,524	14.1	11.3
\$5,000-\$5,999....	6,694	30,805	5,477	12.8	18.8	6,790	37,205	5,485	12.0	13.1	6,941	37,288	5,490	12.8	12.5	6,604	37,968	5,483	12.6	12.3
\$6,000-\$7,499....	4,040	40,375	4,687	11.0	15.3	4,378	42,633	4,685	12.1	14.6	4,825	45,618	4,632	12.7	15.2	7,059	47,144	6,681	12.9	15.3
\$7,500-\$9,999....	4,032	34,303	8,609	7.7	22.0	4,932	41,980	8,514	9.3	14.7	5,011	48,949	8,223	10.3	14.7	5,730	48,801	8,527	10.5	15.8
\$10,000-\$14,999....	3,598	30,836	11,803	5.0	11.0	3,296	35,176	11,011	6.2	13.4	3,513	41,800	11,813	6.5	12.8	3,814	46,487	11,026	7.0	14.7
\$15,000-\$19,999....	739	12,437	17,061	1.4	4.7	883	15,020	17,007	1.7	6.3	1,142	18,037	16,672	2.1	6.3					
\$20,000 and over.....	619	18,538	31,775	1.2	7.4	714	22,572	31,621	1.8	7.0	787	24,880	31,641	1.6	8.3	1,591	44,400	23,320	3.6	14.4
Total.....	52,176	235,539	5,696	100.0	100.0	52,880	235,549	5,493	100.0	100.0	53,540	240,965	5,593	100.0	100.0	53,528	240,267	5,529	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.